

ARTICLE



Preventing Newborns from Starting Life with HIV

TBM Helps Pediatric AIDS Foundation Execute its Mission and Demonstrates how Operational Excellence Can Be Applied in Non-Profits —Improves Administrative Process Efficiency and Reduces Operating Costs.

Executive Summary

Over 3.4 million children are born with HIV and nearly half of them will die before their second birthdays without diagnosis and treatment. TBM worked with the Elizabeth Glaser Pediatric AIDS Foundation on three processes: procurement, cash management and sub-contractor compensation.

We applied classic lean process improvement tools to improve administrative process efficiency and reduce operating costs.

- Reduce lead time for non-hotel purchases from 15 days to seven days
- Reduce the standard vendor payment cycle time from anywhere between 15 and 50 days to 10 days
- Reduce overdue unliquidated advances by 75 percent

This story demonstrates how portable the tools and concepts of operational excellence are and the dramatic results that can be achieved in any type of organization.

Elizabeth Glaser Pediatric AIDS Foundation Improves Operational Efficiency

Today we have the medications and the knowledge to reduce the risk that an HIV-positive mother will transmit the virus to her baby to virtually zero. The mission of the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF) is to prevent every child from being born with HIV, and ensure that their mothers are healthy enough to raise their children into adulthood.

In addition to individual donations, the EGPAF receives significant funding from the United States and other governments, as well as from international relief agencies and corporate foundations. The more efficiently that EGPAF can operate, the more fully it can realize its mission. And, most importantly, the fewer untreated children with AIDS who will suffer and die before their fifth birthday.

Laying the Groundwork

TBM worked with EGPAF in Sub-Saharan Africa to improve the efficiency of its administrative processes and reduce operating costs. In November 2011, we coordinated a series of three simultaneous workshops in Kenya.

Roughly six weeks before each session, we flew in and met with the country directors and their teams to identify the specific processes that they wanted to improve. During this visit we also identified the data that the team would need to collect and analyze, and defined the appropriate metrics. Those pre-workshop visits were very effective because, as in many businesses, the quality of immediately available data tends to vary.

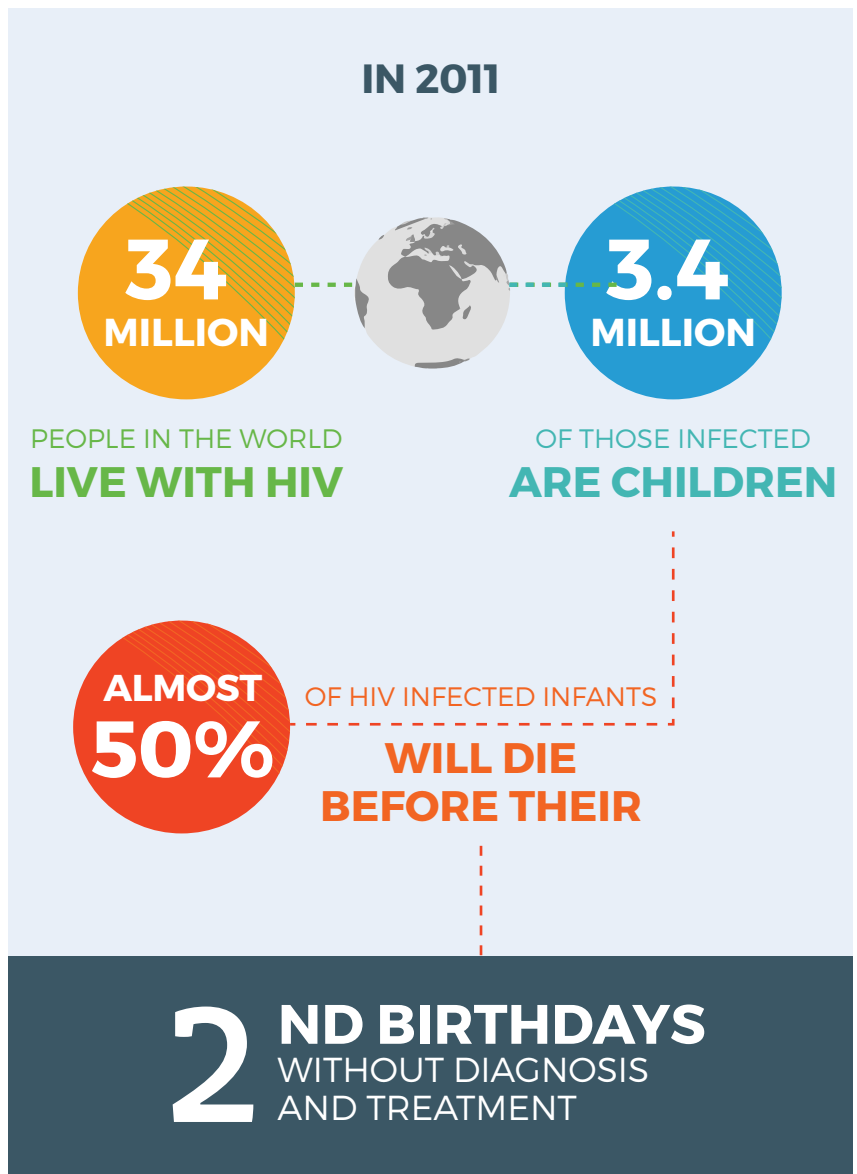


In Kenya, the three processes that we helped the foundation address were: procurement, cash management and subcontractor compensation. Applying the classic lean process improvement tools, the procurement team ultimately reduced lead time for non-hotel purchases from 15 days to seven days; and reduced the standard vendor payment cycle time from anywhere between 15 and 30 days, to 10 days.

To manage the \$140 million that EGPAF disperses every year, the organization must be adept at cash management. The vast majority of transactions in the countries where it operates are done with cash. On a daily basis the charity provides advances to associates for their trips to work with regional clinics and other healthcare partners. How these advances are spent has to be accounted for. After implementing some policy and process changes, the Kenyan team reduced overdue unliquidated advances by 75 percent.

Road to a Brighter Future

In Zimbabwe, one of the four processes that we worked on was vehicle management. Because public transport can be unreliable, any fieldwork in Africa requires dependable transportation, which is why vehicle acquisition and operating expenses are significant line items on EGPAF's regional budgets.





GET INVOLVED: LESS WASTE MEANS MORE HELP

TBM commends the staff and volunteers of the Elizabeth Glaser Pediatric AIDS Foundation for the incredible work they are doing, for the amazing impact they're having on people's lives, and for their spirit of continuous improvement. We encourage our friends and partners to get involved and help spread Operational Excellence within the non-profit organizations that they support.

On the operations side, there was very little data on how the vehicles were being used, including fuel, tires, miles driven, and maintenance activities. Setting up processes and procedures to monitor fuel usage, and matching it with anticipated consumption, has eliminated some opportunities for corruption. The other three processes that we worked on in Zimbabwe were technical site support, travel advances, and the establishment of an operations scorecard. To disperse the knowledge and new practices across the organization, roughly half of the participants in each of the workshop sessions came from EGPAF offices in other countries.

Even though manufacturing is the source of TBM's Operational Excellence practices and most of our work, projects like those with the Elizabeth Glaser Pediatric AIDS Foundation demonstrate how portable the tools and concepts are, and the dramatic results that can be achieved in any type of organization.

SPEED WINS EVERY TIME

TBM specializes in operations and supply chain consulting for manufacturers and distributors. We push the pedal down in your operations to make you more agile and help you accelerate business performance 3-5x faster than your peers.

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